

MASS. R1.2: A n 14



MITCHELL ADAMS
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Leverett Saltonstall Building
100 Cambridge Street, Boston 02204

September 27, 1993

Laura S. Barrett
Public Policy Director
Tax Equity Alliance for Massachusetts
37 Temple Place, Third Floor
Boston, MA 02111

Dear Ms. Barrett:

In a letter dated August 27 and addressed to me, you requested "whatever analysis . . . of provisions relating to a graduated income tax proposal . . . pursuant to the Speaker's [Flaherty] request has been completed to date." Jonathan Light, Senior Deputy Commissioner, responded on September 2 that "[t]he Department is still in the process of compiling the data and information needed to complete this analysis." He estimated that the report would be complete by October 1 and that you would receive a copy at that time. You then appealed to the Supervisor of Public Records. He has determined that we should "provide [you] with a copy of the completed tax analysis."

We wish to make clear that we do not concede that these materials are public records under G. L. c. 66, s. 10(b). We believe that the existing document does not constitute a "reasonably completed factual stud[y] or report[]" as required under G.L. c. 4, s. 7(26)(d). Moreover, we think that the premature release of preliminary and incomplete statistical data and related analyses fundamentally interferes with the important work of this Department.

Nevertheless, in order to dispel any false impressions surrounding this issue, I am enclosing a copy of a preliminary and incomplete "Analysis of a Proposed Graduated Income Tax Plan," as well as a copy of a draft cover letter to Speaker Flaherty regarding his request.

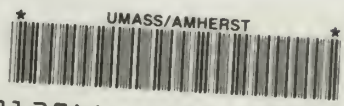
Sincerely yours,

A handwritten signature in black ink, appearing to be "Mitchell Adams", written over a horizontal line.

Mitchell Adams

cc: James W. Igoe
Hon. Charles Flaherty

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MITCHELL ADAMS
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Leverett Saltonstall Building
100 Cambridge Street, Boston 02204

September 27, 1993

Hon. Charles Flaherty
Speaker
House of Representatives
State House, Room 356
Boston, MA 02133

Dear Speaker Flaherty:

In a letter dated August 27, Laura S. Barrett, Public Policy Director of the Tax Equity Alliance for Massachusetts, requested "whatever analysis . . . of provisions relating to a graduated income tax proposal . . . pursuant to the Speaker's [Flaherty] request has been completed to date." Although, as we have told you, the analysis is not complete, we are sending Ms. Barrett the existing preliminary draft of the incomplete analysis as well as a copy of a draft letter to you. As a matter of courtesy, I enclose copies of both of these documents, as well as our letter to Ms. Barrett.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mitchell Adams", written over a horizontal line.

Mitchell Adams

Encl.

DRAFT

August 16, 1993

Charles F. Flaherty
Speaker of the House
State House, Room 356
Boston, MA 02133

Dear Speaker Flaherty:

Enclosed is an analysis of a proposed graduated income tax system you requested in your letter of July 13. The plan as outlined in your letter is not quite revenue neutral; our static analysis shows that in 1995 it would raise \$138.4 million more than the existing tax structure.

You also requested a dynamic analysis of this proposal. As you may know, our dynamic economic model is based on macro-economic theory that emphasizes the total amount extracted from the economy in taxes. Because the proposal outlined in your letter would increase taxes by \$138.4 million, we would expect the model to show that this plan would have a negative impact on the Massachusetts economy. Above and beyond this general macro-economic effect, we are concerned that this proposal would damage the economy in ways that the dynamic analysis is not designed to measure. For example, higher tax rates on capital gains and entrepreneurs whose businesses have become successful may place Massachusetts at a significant competitive disadvantage. If investors and entrepreneurs are discouraged from starting or expanding businesses in Massachusetts, then the graduated income tax would have a negative impact on both our economy and tax collections. Unfortunately, the dynamic model was not designed to examine the impact of a major income tax hike this small group of taxpayers. We are therefore pursuing other types of analysis that will help public officials judge the likely economic impact of this proposal.

Finally, I think it is important to consider other behavioral impacts such as a major change in our tax laws could trigger. Experience with federal tax reform shows that when faced with

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large tax increases, taxpayers engage in tax planning that enables them to legally avoid paying the higher taxes. For example, if capital gains are taxed at 9.8 percent instead of 6 percent, investors may change their preference from common stock to tax-free bonds, with the State realizing less tax revenue than expected.

Finally, I must point out that the impact of this plan will undermine the expected benefits from the estate tax cut. As you will recall, the Legislature recently phased out the Massachusetts estate tax. In large part, this was done to reduce the incentive that affluent senior citizens have to change their domicile to Florida, Arizona or a similar state, thereby allowing Massachusetts to continue to collect income and sales taxes from those who choose to remain in this state. For many of these citizens, the increase in income tax will offset the anticipated decrease in estate tax, and therefore encourage those citizens to change their domicile.

I trust you will find the enclosed analysis useful. As you requested, I have also enclosed a copy of an analysis that outlines three options for more closely aligning our income tax system with the federal system.

Sincerely,

Mitchell Adams
Commissioner

Analysis of a Proposed Graduated Income Tax Plan

This memo presents the estimated impacts of a proposed graduated income tax plan (GIT) requested by the Speaker of the House, by a letter to the Commissioner dated July 13, 1993.

This analysis estimates the revenue impact of this proposal on calendar year 1995 personal income tax liability, as well as the revenue impact of selected provisions of the proposal and of alternative provisions, according to the Speaker's request. Only static revenue impacts are considered here, that is, the effects of the proposal on the economy are not estimated.

Proposed Graduated Income Tax Plan

1. Eliminate the Part A, Part B and Part C classes of income, and eliminate the 50% deduction for capital gains income. With the exceptions described in the plan below, all income currently taxed as Part A, B, or C income will be taxed on the amount, not source, of income.

2. (A) Retain the three existing filing statuses:

- Married Filing Jointly (MFJ)
- Married Filing Separately (MFS)
- Single

(B) Add an additional status.

- Head of Household (HOH), applying the same eligibility requirements as the federal HOH status.

(C) Restrict MFS status to those who file under MFS federally. *Note: We do not include this provision in our revenue impact estimates.*

3. Establish marginal rate brackets for each filing status as follows:

(A) Married Filing Jointly

- | | |
|---|------|
| • For taxable income under \$81,500 | 5.5% |
| • For taxable income of \$81,500 but not over \$150,000 | 9.0% |
| • For taxable income of \$150,000 and above | 9.8% |

(B) Married Filing Separately

- | | |
|--|------|
| • For taxable income under \$40,750 | 5.5% |
| • For taxable income of \$40,750 but not over \$75,000 | 9.0% |

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- For taxable income of \$75,000 and above 9.8%

(C) Single

- For taxable income under \$48,900 5.5%
- For taxable income of \$48,900 but not over \$90,000 9.0%
- For taxable income of \$90,000 and above 9.8%

(D) Head of Household

- For taxable income under \$65,200 5.5%
- For Taxable income of \$65,200 but not over \$120,000 9.0%
- For taxable income of \$120,000 and above 9.8%

4. No Tax Status (NTS) and Limited Income Credit (LIC)

Increase the NTS and LIC thresholds as follows:

	NTS	LIC
MFJ	\$14,000	\$24,500
S	10,000	17,500
HOH	12,000	21,000

5. Dependent Exemption

Increase the dependent exemption (line 26, Form 1) from \$1,000 to \$2,000 for filers with adjusted gross income under \$100,000.

6. New Head of Household Exemption

HOH filers would be able to claim an exemption of \$1,200 in addition to the personal exemption and any other exemptions for which they are eligible.

7. Vanishing Exemptions

- (A) Provide a linear phase out of the dependent exemption from the new level of \$2,000 down to \$0 for all filers with adjusted gross incomes between \$100,000 and \$150,000.
- (B) Provide a linear phase out of the personal exemption from its current level of \$2,200 down to \$0 for all filers with adjusted gross incomes between \$100,000 and \$150,000.
- (C) Provide a linear phase out of the head of household exemption for all HOH filers between \$100,000 and \$150,000.

Revenue Projection Under Current Law

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The projection for calendar year 1995 personal income tax liability under the current law is \$6,464.2 M. This projection is based on the New England Economic Project's (NEEP) forecast of Massachusetts personal income components, adjusted for BEA's most recently available regional income data as of early July. Of the three choices of income projections available to us -- NEEP, Wharton (WEFA), and the Massachusetts Taxpayers' Foundation -- the NEEP forecast gives FY1994 tax revenue projections that are closest to the consensus estimate, and this is the reason for using them in the baseline estimate presented here. These income projections, presented in Table 1, were used to project the personal income tax base forward to 1995.

Revenue Projection Under Recommended GIT Plan

The projection of 1995 income tax liability under the proposed GIT plan is \$6,580.8 M, yielding an increased liability of \$116.5 M over current law.

This impact estimate includes a capital gains "realization" behavioral effect that lowers the impact estimate by \$21.9 M below what it otherwise would have been, i.e., if there were to be no behavioral response to changes in capital gains tax rates, the impact estimate would have been \$138.4 M. The GIT plan changes the marginal tax rate on capital gains for all filers. The effective rate would depend on the filer's income bracket, but the average effective marginal state tax rate on capital gains would rise from 6% to 9.1%. The Model assumes an initial tax rate elasticity of 1.15% with respect to capital gains realizations. In other words, for every percentage point increase in the combined state and federal tax rate on capital gains, capital gains realizations would decline by 1.15%. This elasticity is estimated to fall over time to a long-run level of .6% after 5 years. If the long-run elasticity were used instead as a measure of the eventual impact of this behavioral effect, the impact estimate would have been lowered by \$11.4 M -- rather than \$21.9 M -- below what it otherwise would have been. To the extent that there is a behavioral effect, capital gains realizations may be accelerated into 1994.

The impact estimate is sensitive to assumptions about future income growth. For every percentage point increase in 1995 incomes over the projections used here, the revenue impact of the GIT plan would increase by roughly \$10M, assuming the same percentage increase in each source of income. Bracket creep accounts for the increasing impact due to income growth. However, the revenue impact also depends critically on the *distribution* of income growth by source of income; and these distributional impacts can have counter-intuitive impacts. For example, to the extent that income increases are concentrated in non-Massachusetts bank interest and dividends, the revenue impact of the GIT plan would actually *decrease*, as each extra dollar that is taxed at 12 cents under the current system would be taxed at a maximum of 9.5 cents under the GIT plan.

Impacts of Selected Provisions of the GIT Plan

Impact Estimate of the Marginal Rate Structure

The marginal rate structure would raise \$94.8 M compared to the amount which would be raised under the current uniform rates system. This estimate is the difference between the revenue estimate of provisions 1 through 3, and the estimate of provisions 1 and 2 only. Provisions 1 and 2, which eliminate distinctions between different sources of income, eliminate the 50% exclusion for capital gains income, and add a head of household status, would increase 1995 liability by \$99.8 M over current law. The addition of the graduated rate structure in provision 3 would increase the revenue impact to \$194.6 M above current law.

Loss in Revenues Compared to the Present NTS and LIC Levels

Increasing the NTS and LIC threshold levels as in provision 4 loses \$61.9 M in liability. This estimate is the difference between the revenue impact of the full GIT plan, \$116.5 M, and the revenue impact of the plan exclusive of provision 4, \$178.4 M.

Dependent Exemption: Cost of Increasing It From \$1,000 to \$2,000

The cost of increasing the dependent exemption from its current level of \$1,000 to \$2,000 is \$89.9 M in liability. This estimate is the difference between 1995 liability under current law, \$6,464.2 M, and what liability in 1995 would be if the dependent exemption were increased to \$2,000, \$6,374.4 M.

Dependent Exemption Alternative: Cost of Increasing It From \$1,000 to \$1,500, With a 50% Increase In the Child and Dependent Care Deduction (Line 15) and the Deduction for Dependents Under Age 12 (Line 16)

These costs are \$59.9 M in liability. This estimate is the difference between 1995 liability under current law, \$6,464.2 M, and what liability in 1995 would be if these deductions were increased, \$6,404.4 M.

Vanishing Exemptions

The phase-out of dependent and personal exemptions in provision 7 raises liability by \$68.6 M over what the impact would be if dependent and personal exemptions were not phased-out under the GIT plan. This estimate is the difference between the revenue impact of the full GIT plan, \$116.5 M, and the revenue impact of the plan exclusive of provision 7, \$48.0 M.

Dependent Exemption Alternative: Dependent Exemption Raised From \$1,000 to \$1,500, With a 50% Increase In the Child and Dependent Care Deduction (Line 15) and the Deduction for Dependents Under Age 12 (Line 16), With and Without a Phase-Out.

One of the alternatives in the GIT plan is to substitute the proposed doubling of the dependent exemption to \$2,000 with a 50% increase in the dependent exemption to \$1,500, combined with a 50% increase in the dependent care deduction (line 15), and a 50% increase in the deduction for dependents under age 12 (line 16), from \$600 to \$900. Another form of this alternative includes a linear phase-out of the \$1,500 exemption, to \$0, for filers with adjusted gross incomes between \$100,000 and \$150,000. The revenue impacts of both alternatives are compared to the impact of the full GIT plan.

Compared to the full GIT plan, this dependent exemption alternative *without* a phase-out would raise liability by \$5.3 M. This estimate is the difference between the revenue impact of the full GIT plan, \$116.5 M, and the revenue impact with this proposed alternative, \$121.9 M.

Compared to the full GIT plan, this dependent exemption alternative *with* a phase-out of the \$1,500 dependent exemption would raise liability by \$23.7 M. This estimate is the difference between the

revenue impact of the full GIT plan, \$116.5 M, and the revenue impact with this proposed alternative, \$140.2 M.

Increasing the Marginal Tax Rate in Each Income Bracket

The following revenue impact estimates of changing each of the tax bracket rates are relative to the full GIT revenue impact of \$116.5 M:

- Raising the first bracket rate to 5.6% would increase the revenue impact by \$79.0 M.
- Raising the second bracket rate to 9.1% would increase the revenue impact by \$9.3 M.
- Raising the third bracket rate to 9.9% would increase the revenue impact by \$13.8 M.

Adding a Fourth Income Bracket for Incomes Over \$1 Million.

Adding a fourth income bracket taxing income over \$1 million at a rate of 10.5% would raise 1995 liability by \$23.2 M relative to the full GIT revenue impact of \$116.5 M. Raising the fourth bracket rate to 10.6% would raise liability by an additional \$3.3 M.

Hold Harmless Income Levels

Hold harmless income levels are those levels of income at which liability would be the same under current law and under the GIT plan. These depend on filing status, number of dependents, and various deductions and special exemptions. For filers who have only employee wage income in jobs covered by the Social Security system, who take the minimum exemptions and deductions allowed, and who have no special deductions, exemptions, or credits, the hold harmless income levels, by filing status, would be:

<i>Filing Status</i>	<i>Number of Dependent Exemptions</i>	<i>"Hold Harmless" Level of Income</i>
Single	0	\$60,315
Head of Household	1	\$86,511
Married Filing Jointly	0	\$101,924
Married Filing Separately	0	\$50,962

Distribution of Tax Liability by Filer Status and Income Level

Average 1995 tax liability, by filing status and income level, for current law and the GIT plan, are presented in Table 2. "Plan X" is the current law estimate; "Plan Y" is the GIT plan. Unlike the hold harmless analysis above, this table reflects the expected distribution of tax filers by *all* their relevant characteristics, including income by source, filing status, age, number of dependents, deductions, exemptions, and credits. The income levels in the table are adjusted gross incomes under *current law* definitions. For filers with capital gains, adjusted gross income may increase because of the repeal of the 50% exclusion. Overall average liability would increase by \$39 for the average taxpayer. For the vast majority of taxpayers, however, liability is expected to fall under the GIT plan. For all tax filers combined, average tax liability would fall for those in the income brackets \$75,000-\$100,000 and below, and rise for those in income brackets above \$100,000. For any particular tax filer, however, whether and how much liability rises or falls would depend on their particular filing status, deductions, exemptions, and income sources. It is possible, for example, that tax liability would rise for some low-income filers if a major source of their income was capital gains.

1995 STATE STATIC TABLE 2 -- SINGLE RETURNS
DISTRIBUTION OF AVERAGE STATE INCOME TAX LIABILITIES

STATE AGI (DOLLARS)	NUMBER OF RETURNS (THOUS)	PLAN X	PLAN Y	TAX CHANGE
		AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)
ALL TAXPAYERS				
LESS THAN 0	0.0	0.0	0.0	0.0
0 - 5,000	271.9	0.0	0.0	0.0
5,000 - 10,000	228.1	40.2	0.0	-40.2
10,000 - 15,000	185.4	427.7	235.9	-191.8
15,000 - 20,000	127.7	797.2	682.8	-114.4
20,000 - 25,000	151.3	1072.1	963.9	-108.2
25,000 - 30,000	127.1	1365.0	1237.7	-127.3
30,000 - 35,000	119.3	1633.3	1489.2	-144.1
35,000 - 40,000	71.7	1931.7	1749.6	-182.1
40,000 - 45,000	62.8	2288.8	2050.5	-238.4
45,000 - 50,000	39.6	2497.1	2239.1	-258.1
50,000 - 60,000	50.7	2865.9	2627.5	-238.4
60,000 - 75,000	33.9	3742.9	3812.3	69.5
75,000 - 100,000	17.9	5103.3	5524.9	421.6
100,000 - 150,000	7.7	7405.2	9001.6	1596.4
150,000 - 200,000	2.6	11206.2	14285.9	3079.7
200,000 +	3.3	35333.4	50222.8	14889.4
TOTAL	1500.9	11111.4	1058.1	-53.3

SIMULATION : teamy04

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1995 STATE STATIC TABLE 2 -- JOINT RETURNS
DISTRIBUTION OF AVERAGE STATE INCOME TAX LIABILITIES

STATE AGI (DOLLARS)	NUMBER OF RETURNS (THOUS)	PLAN X	PLAN Y	TAX CHANGE
		AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)
ALL TAXPAYERS				
LESS THAN 0	0.0	0.0	0.0	0.0
0 - 5,000	39.5	0.0	0.0	0.0
5,000 - 10,000	38.8	0.0	0.2	0.2
10,000 - 15,000	51.3	81.1	9.7	-71.3
15,000 - 20,000	56.6	511.6	331.4	-180.2
20,000 - 25,000	55.8	894.8	722.5	-172.3
25,000 - 30,000	58.4	1167.9	992.1	-175.8
30,000 - 35,000	64.6	1438.4	1241.4	-197.0
35,000 - 40,000	71.0	1711.8	1488.5	-223.3
40,000 - 45,000	58.5	2021.0	1784.9	-236.1
45,000 - 50,000	71.6	2282.6	2018.2	-264.4
50,000 - 60,000	155.7	2743.6	2449.8	-298.8
60,000 - 75,000	168.9	3460.8	3095.3	-365.5
75,000 - 100,000	180.3	4528.0	4107.5	-420.6
100,000 - 150,000	100.3	6688.5	7126.9	438.3
150,000 - 200,000	26.8	10189.1	12459.0	2270.0
200,000 +	35.1	27969.0	32474.5	11505.5
TOTAL	1233.9	3571.1	3757.4	186.3

SIMULATION : teamy04
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1995 STATE STATIC TABLE 2 -- SEPARATE RETURNS
DISTRIBUTION OF AVERAGE STATE INCOME TAX LIABILITIES

STATE AGI (DOLLARS)	NUMBER OF RETURNS (THOUS)	PLAN X	PLAN Y	TAX CHANGE
		AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)
ALL TAXPAYERS				
LESS THAN 0	0.0	86.5	0.0	-86.5
0 - 5,000	7.5	45.6	34.2	-11.4
5,000 - 10,000	4.6	254.7	184.9	-69.8
10,000 - 15,000	6.6	501.3	416.2	-85.1
15,000 - 20,000	7.4	781.5	688.8	-92.7
20,000 - 25,000	5.1	1058.1	932.0	-126.1
25,000 - 30,000	5.1	1320.9	1157.7	-163.2
30,000 - 35,000	4.3	1603.6	1423.1	-180.5
35,000 - 40,000	3.1	1917.2	1703.2	-214.0
40,000 - 45,000	2.5	2135.2	1905.8	-229.5
45,000 - 50,000	2.3	2464.5	2252.8	-211.7
50,000 - 60,000	2.4	2965.1	2900.4	-64.7
60,000 - 75,000	1.8	3660.6	3965.1	304.5
75,000 - 100,000	1.2	5027.8	5791.5	763.7
100,000 - 150,000	0.7	7185.2	9171.7	1986.5
150,000 - 200,000	0.2	10852.3	14631.1	3778.8
200,000 +	0.5	44147.5	64376.3	20229.3
TOTAL	55.4	1722.8	1862.6	139.8

SIMULATION : team14

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1995 STATE STATIC TABLE 2 -- HEAD OF HOUSEHOLD
DISTRIBUTION OF AVERAGE STATE INCOME TAX LIABILITIES

STATE AGI (DOLLARS)	NUMBER OF RETURNS (THOUS)	PLAN X	PLAN Y	TAX CHANGE
		AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)
ALL TAXPAYERS				
LESS THAN 0	0.0	0.0	0.0	0.0
0 - 5,000	7.4	0.0	0.0	0.0
5,000 - 10,000	10.3	39.0	0.4	-38.6
10,000 - 15,000	22.9	357.0	73.7	-283.3
15,000 - 20,000	28.8	572.6	350.2	-222.5
20,000 - 25,000	33.9	825.0	605.1	-219.9
25,000 - 30,000	23.0	1167.4	918.7	-248.8
30,000 - 35,000	23.4	1461.0	1183.0	-278.0
35,000 - 40,000	14.9	1808.2	1502.0	-306.2
40,000 - 45,000	11.1	2077.5	1760.8	-316.7
45,000 - 50,000	8.5	2364.5	2010.7	-353.8
50,000 - 60,000	10.1	2854.3	2480.7	-373.7
60,000 - 75,000	7.3	3567.4	3065.4	-502.0
75,000 - 100,000	3.7	4723.1	4486.7	-236.4
100,000 - 150,000	1.7	7080.3	7887.0	806.7
150,000 - 200,000	0.5	10523.3	13421.1	2897.8
200,000 -	0.7	30205.8	42837.4	12631.6
TOTAL	208.3	1412.6	1215.0	-197.6

SIMULATION : teamy04

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1995 STATE STATIC TABLE 2 -- ALL RETURN TYPES
DISTRIBUTION OF AVERAGE STATE INCOME TAX LIABILITIES

STATE AGI (DOLLARS)	NUMBER OF RETURNS (THOUS)	PLAN X	PLAN Y	TAX CHANGE
		AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)	AVERAGE TAX LIABILITY (DOLLARS)
ALL TAXPAYERS				
LESS THAN 0	0.0	8.7	0.0	-8.7
0 - 5,000	326.4	1.1	0.8	-0.3
5,000 - 10,000	281.8	38.2	3.1	-35.1
10,000 - 15,000	266.2	356.6	182.9	-173.8
15,000 - 20,000	220.4	694.0	549.4	-144.7
20,000 - 25,000	246.1	997.5	859.0	-138.5
25,000 - 30,000	213.6	1288.7	1134.2	-154.5
30,000 - 35,000	211.6	1554.1	1378.3	-175.8
35,000 - 40,000	160.7	1822.8	1610.4	-212.4
40,000 - 45,000	134.9	2152.4	1908.7	-243.6
45,000 - 50,000	122.0	2361.3	2093.7	-267.6
50,000 - 60,000	218.9	2783.0	2497.3	-285.7
60,000 - 75,000	212.0	3511.3	3216.3	-295.0
75,000 - 100,000	203.2	4585.4	4249.8	-335.7
100,000 - 150,000	110.9	6747.6	7282.1	534.4
150,000 - 200,000	30.1	10286.6	12648.2	2361.6
200,000 -	39.6	28818.2	40731.2	11912.9
TOTAL	2929.5	2155.3	2194.7	38.9

SIMULATION : teamy04
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Table 1

NEEP-Based State Personal Income Projections
(\$Billions)

Calendar Quarter	Dividends, Interest, Rent	Disposable Income	Personal Income	Private Non-Farm Proprietor's Income	Wage and Salary Disbursements
199401	25.22	133.47	155.10	12.62	90.14
199402	25.52	135.17	157.14	12.93	91.45
199403	25.86	136.96	159.29	13.27	92.79
199404	26.31	138.97	161.70	13.65	94.12
199501	26.78	141.10	164.26	14.04	95.54
199502	27.23	143.14	166.71	14.44	96.89
199503	27.69	145.12	169.09	14.87	98.23
199504	28.17	147.32	171.74	15.32	99.66
199601	28.77	149.66	174.55	15.79	101.22
199602	29.31	152.15	177.55	16.29	102.87
199603	29.87	154.67	180.58	16.79	104.56
199604	30.42	157.07	183.48	17.27	106.25

